



OFFICE OF MANAGEMENT AND BUDGET

2 CFR Part 200

Uniform Administrative Requirements, Cost Principles, and Audit Requirements

AGENCY: Office of Management and Budget.

ACTION: Guidance.

SUMMARY: This document announces the availability of the 2021 Compliance Supplement (2021 Supplement) for the Office of Management and Budget's uniform administrative requirements, cost principles, and audit requirements regulations. This document also offers interested parties an opportunity to comment on the 2021 Supplement.

DATES: The 2021 Supplement replaces the 2020 Supplement (issued in August 2020) and its Addendum (issued in December 2020). The Supplement applies to fiscal year audits beginning after June 30, 2020.

ADDRESSES: All comments to the 2021 Supplement must be in writing and received by August 30, 2021. Late comments will be considered to the extent practicable. Comments will be reviewed and addressed, when appropriate, in the 2022 Compliance Supplement. Electronic mail comments may be submitted to: <http://www.regulations.gov>. Please include "2 CFR Part 200 Subpart F – Audit Requirements, Appendix XI-Compliance Supplement - 2021" in the subject line and the full body of your comments in the text of the electronic message and as an attachment. Please include your name, title, organization, postal address, telephone number, and e-mail address in the text of the message. Comments may also be sent to: GrantsTeam@omb.eop.gov.

Please note that all public comments received are subject to the Freedom of Information

Act and will be posted in their entirety, including any personal and/or business confidential information provided. Do not include any information you would not like to be made publically available.

The 2021 Supplement is available online on the OMB home page at <https://www.whitehouse.gov/omb/office-federal-financial-management/>

FOR FURTHER INFORMATION CONTACT: Recipients and auditors

should contact their cognizant or oversight agency for audit, or Federal awarding agency, as appropriate. The Federal agency contacts are listed in appendix III of the Supplement. Subrecipients should contact their pass-through entity. Federal agencies should contact Gil Tran at Hai_M._Tran@omb.eop.gov or (202) 395-3052 or the OMB Grants team at GrantsTeam@omb.eop.gov.

SUPPLEMENTARY INFORMATION: The 2021 Supplement (2 CFR part 200, subpart F, appendix XI) adds five new programs, deletes four programs and provides updates on many other programs (including the 14 programs previously included in the 2020 Addendum to the Single Audit Compliance Supplement), where necessary. The 2021 Supplement is a continuation of efforts to maximize the value of grant funding by applying a risk-based, data-driven framework that balances compliance requirements with demonstrating successful results. Consistent with the reduction in compliance areas in the 2019 Supplement, the 2021 Compliance Supplement allows for a maximum of six compliance areas and requires a review for performance reporting for 57 programs. OMB is continuing to work with Federal awarding agencies to further emphasize performance reviews and will make updates accordingly in future Supplements. The 2021 Supplement also includes guidance related to the administrative flexibilities included in Appendix 3 of OMB memorandum M-21-20 (March 19, 2021) and the revisions to 2 CFR – Grants and Agreements (published in August 12, 2020) in Part 8, Appendix VII of the Supplement.

As part of the development of the audit guidance contained in the Supplement, OMB shared the draft language developed by the agencies with recipient and audit stakeholders, including the American Institute of Certified Public Accountants (AICPA), the National Association of State Auditors, Controllers and Treasurers (NASACT), the US Government Accountability Office (GAO), and agency Inspector General offices for comments. The comments were reviewed, adjudicated, and addressed by the relevant agencies and OMB. All necessary changes are reflected in the final published version. A summary of comments and OMB responses is shown below.

Audit Extension - Commenters suggested clarifications on the Single Audit extension allowed in OMB M-21-20 to be included in the Supplement Part 8, Appendix VII. OMB concurred and added information related the audit extension.

Performance Reporting Review – Commenters highlighted that there was a significant increase in the number of programs in the Supplement that require auditors to review the recipients’ performance reporting requirements. Commenters suggested agencies add the key line items in the performance reports that the agencies request the auditors verify, in order to focus the auditors on the important areas for review. OMB concurred and worked with the relevant agencies to add the key line items on the performance reports in the “Suggested Audit Procedures” section.

2 CFR Revisions (effective November 12, 2020) - Commenters requested that the Supplement contain two separate parts B for the Allowable Costs/Cost Principles – one for the applicable cost principles prior to 2 CFR updates on November 12, 2020 and one for applicable cost principles after November 12, 2020. OMB disagreed but provided clear indication of the cost principles and areas that were revised in November 12, 2020.

Additionally, the Supplement provides the link to CFO.gov [Uniform Guidance \(cfo.gov\)](https://www.cfo.gov/uniform-guidance) which contains the relevant information related to the 2 CFR and its revisions, including

the redlined version of the guidance, a crosswalk document, and the latest set of Frequently Asked Questions (FAQs) - [2CFR-FrequentlyAskedQuestions 2021050321.pdf \(cfo.gov\)](#).

Assistance Listing (CFDA) – Commenters noted that the term “Assistance Listing” is now used on the Federal Government website Sam.gov instead of the previous term of “CFDA” to describe a Federal program. OMB concurred and replaced “CFDA” with “Assistance Listing” for consistency.

American Rescue Plan Act (ARP) Programs – The audit community, including GAO, requested that the agencies provide audit guidance expeditiously for the programs created under the ARP, since funds are material and many have complex compliance and reporting requirements. OMB is working with Federal awarding agencies to identify the new ARP programs with special compliance and reporting requirements. When completed by the agencies and reviewed by OMB, these audit guides will be published on the CFO.gov website.

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